

## Newbury College Corporation Audit Committee

### Minutes of a meeting held on Monday 1<sup>st</sup> March 2021 from 4pm via MS Teams

<b>Present</b>	<b>Name</b>	<b>Role</b>
<b>Membership</b>	Glyn Howells (GH)	External Member - Chair
	Javaid Iqbal (JI)	External Member
	Tom Rossiter (TR)	External Member
<b>Apologies</b>	Lee Hunt (LH)	Vice Principal
<b>In Attendance</b>	Emma Gipson (EG)	Manager, RSM Risk Assurance Services LLP - Item 9 only
	Kimberley Hancock (KH)	Senior Internal Auditor, RSM Risk Assurance Services LLP - Item 9 only
	Jo Houghton (JH)	Director of Business and Partnerships
	Gill Parkinson (GP)	Clerk to the Corporation
	Jayne Steele (JS)	Director of Finance and Estates
	Iain Wolloff (IW)	Principal & Chief Executive
	Cathy Wright (CW)	Director of Support Services and HR
<b>Quorum</b>	Three members required	Meeting quorate, three members present

### AGENDA ITEMS

Item No.		Action
<b>1.</b>	<b>APOLOGIES FOR ABSENCE</b> Lee Hunt (LH) had sent apologies. There had been an issue with multiple Teams links in the calendar. GH suggested including a Teams link on agendas – GP would explore this.  ESFA auditors Emma Gipson (EG) and Kimberley Hancock (KH) from RSM were introduced – they would be addressing questions relating to Item 9.	<b>GP</b>
<b>2.</b>	<b>DECLARATIONS OF INTERESTS</b> Members confirmed that they had no declarations of interest to make.	
<b>3.</b>	<b>MINUTES OF THE PREVIOUS MEETING</b> The Committee approved the Minutes of the meeting held on 23 <sup>rd</sup> November 2020.	
<b>4.</b>	<b>MATTERS ARISING FROM THE MINUTES</b> IW shared the action tracker. Actions were: <b>Item 1</b> The Committee approved Glyn Howells as Chair. GP had updated the records.  <b>Item 7-</b> GH requested that the Committee meet with the Internal Auditors, without College	

	<p>Senior Managers, immediately prior to the Committee's 14<sup>th</sup> June meeting. JS had requested some suitable dates and would follow this up.</p> <p><b>Item 8.4</b> A water update would be provided at this meeting – see Item 6.</p> <p><b>Item 8.4</b> An audit of Mitie for Equitix was carried out in October, but JS had not yet seen the report – on agenda see Item 10.</p> <p><b>Item 9</b> It was agreed that cybersecurity would be added to the Internal Audit Plan subject to JS and LJ agreeing a reasonable cost – on agenda see Item 7.</p> <p><b>Item 11</b> College website to be updated with previous financial statements – JS thought these should be updated as sign-off of y/e July 2020 accounts was delayed.</p> <p><b>Item 12</b> GH had queried how the pandemic and lockdowns had affected student welfare and mental health and suggested adding the risk to student welfare to the risk register – on agenda see Item 6.</p> <p>Item 9 was addressed first to minimise the time in the meeting of EG and KH.</p>	<b>JS</b>
<b>5.</b>	<p><b>OUTSTANDING RECOMMENDATIONS (INTERNAL AND EXTERNAL AUDIT)</b></p> <p>JS explained the Learner number and Apprentice internal audits provisionally booked for January had been rescheduled to April 2021 due to resources being diverted to the EFSA funding audit which overran into January. These were usually undertaken later in the year anyway.</p> <p>A report was presented by JS on the actions remaining from the previous year's internal audits and the financial accounts audit undertaken in the Autumn term. All outstanding actions had been completed since the previous meeting, apart from the production of more timely management accounts (March deadline) and the production of the estates strategy – it was agreed that this would be delayed to July to ensure it aligned with the overall strategy being considered by the Governors in May. The T Levels capital bid (due at end March) could be impacted but the buildings consultant had confirmed that an executive summary could be submitted at the end of March without a signed off estates strategy. All actioned areas would be checked by the internal auditors in April.</p> <p><b>GH asked whether the 16-19 Work Related Activity Records action was associated with apprenticeships.</b> JS replied that this related to work related activity for full time young people. A software solution was being installed in February, primarily to track 16-19 work experience, industrial placements, and work-related activity. The audit would take place in April, 6 weeks after implementation in February. CW added that training could be lengthy so some staff would not be trained until April. GH suggested delaying the audit to allow time to deal with "teething" problems. CW and JS would discuss putting back the audit with the MIS manager.</p> <p><b>GH also queried the superseded action on p. 13 – "SLAs and KPIs should be agreed with Moorepay with regular catch ups, to ensure service meets the required standard."</b> JS explained this had been superseded as there was a new payroll provider.</p> <p><b>Finally GH asked why all the learner number audit actions were verifiable in April.</b> These related to 2020 and April would be the first opportunity to validate this due to the pandemic.</p>	<p><b>JS/IW</b></p> <p><b>JS/CW</b></p>

	There were no further questions.	
6.	<p><b>RISK MANAGEMENT REPORT AND RISK REGISTER</b></p> <p>JS explained all SLT members had reviewed their areas and contributed to the paper. The risk register had been updated with two additional risks, and mitigations taken:</p> <ul style="list-style-type: none"> <li>• Cyber security (risk of being hacked); and</li> <li>• Safeguarding of assets that are loaned to staff and students, where the impact of the likelihood of the risk was felt to be greater since the move to remote working and increase in loaning out equipment.</li> </ul> <p>At the previous meeting GH had queried how the pandemic and lockdowns had affected student welfare / mental health and suggested adding the risk to student welfare to the risk register. The SLT had decided to incorporate this risk into the generic safeguarding heading in both the risk register and report, with commensurate mitigations.</p> <p>Reputational damage regarding Climate Change raised at the last meeting had been considered by the team who had decided to keep it under close review, including via the Strategic Development Committee but decided not to increase its score at this point.</p> <p>The 3 key priority risks were safeguarding, cashflow and income generation. Under safeguarding water testing had been discussed by the Committee – Mitie had reported that all temperatures were now within the correct range, apart from in one room in which remedial work had been performed over half term.</p> <p>Two other third party audits performed by Equitix and UMAL (see Items 10 and 11 respectively), had also highlighted actions needed regarding water. The Equitix Health and Safety Audit reported an amber recommendation which specifically highlighted concerns in relation to the lack of a written scheme of control for water systems. The Mitie Facilities Manager had reported that this action had been completed and included with the full Water Risk Assessment, but this raised a concern as to why the document was not available for inspection by the audit team in October.</p> <p>The outstanding action regarding water was “to ensure all Mitie personnel responsible for water management are appropriately trained - to be actioned when Covid-19 restrictions are relaxed.” <b>GH noted that this had been an issue over a long period and both he and TR thought Mitie should train staff remotely (or masked) as this delay is leaving the College at risk of infection by legionella.</b> JS would escalate this with Mitie citing the Audit Committee’s view of the unacceptableness of their lack of action – she noted that they are a large company and some actions take an extended period to be completed.</p> <p>Jl asked about the planned new HE programmes mentioned in the risk register. JH detailed the three new degree programmes being offered this year and two next year.</p>	JS
7.	<p><b>INTERNAL AUDIT PLAN</b></p> <p>JS provided a verbal update on internal audit progress as the paper prepared by JS had not been included within the pack. * There would be an audit of cashflow in March, learner numbers and apprenticeships after Easter and digital once the revised audit terms of reference were received (end April/beginning May). Additional cybersecurity</p>	

	<p>and apprenticeship processes and procedures audits had been discussed subject to a reasonable cost at the last Committee meeting. The quote for a 6-day cybersecurity audit had been received at a cost of £930 per day (at least £200 per day more than usual), totalling £5,580. JS recommended that alternative quotes be sought for this audit from industry experts.</p> <p>The quote for a consultancy -based audit on apprenticeship processes over 6 days was £3,500 at a rate of £583 per day. The SLT recommended that this work be conducted in August at the beginning of the 2021/22 financial year, when new staff were bedded into the organisation (2 current vacancies) in preparation for the critical period in September/October.</p> <p><b>It was agreed that the Committee would support both these proposals.</b></p> <p>*GP circulated the paper during the meeting.</p>	
8.	<p><b>OFS MONITORING REPORT</b></p> <p>JH presented the OfS Report – Monitoring During Covid-19 2021.</p> <p>The Office for Students (OfS) had requested that providers “undertake a review during the first half of the spring term of your compliance with consumer law and provide assurance to your governing body of ongoing compliance with ongoing condition C1 (guidance on consumer protection law).”</p> <p>The report provided the evidence to address the following questions:</p> <ul style="list-style-type: none"> <li>a) Was the UCN sufficiently clear with new and continuing students on how teaching and assessment would be delivered in 2020/21 including the circumstances in which changes might be made and the detail of what those changes might be.</li> <li>b) Did students receive during the Autumn term (September to December 2020) the teaching and assessment that they were promised/expected based on the information provided by the UCN;</li> <li>c) Will the UCN plans for the spring/summer 2021 terms ensure that students receive the teaching and assessment they have been promised/expected based on the information provided and;</li> <li>d) What support has the UCN provided to students in relation to any challenges they may be experiencing.</li> </ul> <p>The report addressed these questions and actions taken.</p> <p><b>Jl asked whether there had been issues with IT support in respect of home learning.</b></p> <p>JH replied that the UCN had been planned to ensure that courses could be provided remotely. All laptops were out on loan and new laptops and software had been purchased. Overall HE student feedback had been that they were happy, and the student governors and teachers had been asked to keep the College updated with any issues. For various reasons some students would be returning on 8<sup>th</sup> March prior to full comeback after Easter.</p> <p>JS stated that JH’s reporting gave reassurance in this area and informed the Governors that there had been withdrawals since September due to home circumstances, mental health issues and finding a job etc. but not any related to the College’s quality. It was</p>	

	<p>important to address any issues early to mitigate reputational and financial implications. <b>GH agreed and asked about whether there would be a follow-up to the induction survey.</b> JH replied that student views were sought in various forms on a termly basis, so that there were no surprises at the end of the year.</p> <p>TR thought the UCN had been successful in its first incredibly difficult year and this should be communicated to the wider community.</p> <p>There were no further comments.</p>	
9.	<p><b>ESFA FUNDING AUDIT UPDATE</b></p> <p>JS explained that the notification of an impending ESFA funding assurance audit had been received in November. This took place over the course of December and January, with the objective of assessing compliance with the 2019/20 funding requirements. The College team did a very good job, as many queries were raised and the sample was large.</p> <p>The error rate overall was 1.8% and did not go over 2.2%. A clawback of £6,485 was identified, though this may not be considered significant enough for the ESFA to recover it. A provision of £20K had been made in the 2020 accounts.</p> <p>The findings resulted in 20 recommendations (input to a tracker) and a funding clawback proposed of £5,510, with the remaining £975 relating to prior years probably not being reclaimed. The ESFA advised that due to the error rate being less than 5% there is no requirement to extrapolate. There were some underclaims which would not be refunded by the ESFA.</p> <p>EG concluded that this was a fairly clean result in terms of funding implications. Most issues were around apprenticeships – this was not unusual as the rules are complex and had changed frequently on recent years, particularly for longer apprenticeships, and the newer apprenticeships had fewer issues. There were a number of instances in which the apprenticeship negotiated price was incorrectly recorded, and this should be checked regularly. The audit process was difficult this year as it was performed remotely after the year end, so she thanked both managers and staff for their work.</p> <p><u>Questions</u></p> <p><b>GH noted a £15K underclaim “Section 2.8 - issues arising from PDSAT testing” – was this related to apprenticeships and what was the error rate?</b> EP replied that this related to FE students and that 100% of enrolled learners were sampled with a focus on those less than 50% of the maximum rate allowed by the ESFA. She confirmed that this did not appear to be significant compared to the College population and was in line with other Colleges, who had similar issues. The 3% error rate was within the norm for Colleges.</p> <p><b>TR asked whether there should be a specific postholder to oversee and process the data.</b> JS replied this is the MIS Manager’s responsibility and she does an excellent job of ensuring staff are advised of the frequent rule updates, however there was an element of human error. An employee to process apprenticeship data was currently being recruited. JH added that Engineering was the main curriculum area for</p>	

	<p>apprenticeships, with the earliest learner starting in 2016 and the rules changing substantially in 2017.</p> <p><b>JI asked when the next ESFA audit is scheduled.</b> EP replied this is by random selection and could be any year, but this audit was unlikely to lead to another as the College risks were unchanged. JS added that this area was always included within the Internal Audit Plan each year.</p> <p><b>The Committee approved the signing of the Letter of Representation by the Chair of Corporation and the Accounting Officer.</b></p> <p>GH thanked EG and KH and they left the meeting.</p>	
10.	<p><b>EQUITIX HEALTH &amp; SAFETY COMPLIANCE AUDIT REPORT</b></p> <p>The Health and Safety Audit had been commissioned by Equitix on the Facilities Management provider (Mitie) and was performed by Walker Cotter Safety at the end of October 2020 over two days, with reporting to the College in January.</p> <p>Overall, the audit scored 1096 out of a possible 1148 points with many areas fully compliant, however there was one red recommendation with action required immediately which related to fire compartmentation stemming from the relocation of the Mitie office. The remedial work had been completed the previous week, apart from ceiling smoke protectors which are awaiting approval. JS would follow this up.</p> <p>There were 14 amber actions, with the Walker Cotter Safety report indicating that the two areas with highest priority were the lack of a written scheme of control for water systems (addressed within Item 6) and lack of progress on issues previously highlighted regarding the exterior structure of the building. JS noted that this was currently being remedied by the replacement of wall ties covering 100% of the College building, instead of a small portion as proposed previously. She would report again at the next Committee meeting.</p> <p>The report noted a good relationship between Mitie and the College management team; however the landlord only released the report after repeated requests and did not provide any feedback at either the November or December monthly meetings. This lack of transparency was being addressed with Equitix by the College.</p> <p><b>GH asked whether there were any training concerns regarding the Facilities &amp; Maintenance (FM) manager with particular regard to water safety?</b> JS noted he was relatively new, and facilities would be audited internally following this audit. CW noted the Health &amp; Safety Manager had undertaken legionella training and he and the FM manager were working together on this.</p>	<p>JS</p> <p>JS</p>
11.	<p><b>INSURERS AUDIT REPORT</b></p> <p>JS explained that this audit should be annual but had not happened in the previous year. UMAL visited the College campus on the 5th of January and undertook two risk assessments on:</p> <ol style="list-style-type: none"> <li>1. Property Risk Management; and</li> <li>2. Health &amp; Safety Risk Management</li> </ol>	

	<p>The H&amp;S manager was present and provided all responses on behalf of the facilities team. Given the more detailed audit undertaken by Equitix which reported a significant issue with the fire compartmentation and risks pertaining to water and legionella, the UMAL audit was 'light touch' but nevertheless a useful aid in compliance and safeguarding.</p> <p>1. Property Risk Management The overall score was 2.62 compared to a UMAL average of 2.61. There were no instances of non or partial compliance (on either report), with all areas of property fire management controls and protection facilities scoring a 2 (general compliance) or a 3 (full compliance).</p> <p>2. Health &amp; Safety Risk Management The overall score was 2.3 compared to a UMAL average of 2.39. Again there were no instances of non or partial compliance, with all areas of health and safety controls scoring a 2 or a 3.</p> <p>A tracker had been instigated to track progress on the 27 recommendations and had been included with the report with a deadline set by UMAL for completion of 8th April 2021. Thus far, 4 of the 6 recommendations ranked as of high importance had been completed.</p> <p><b>GH – what is the consequence of recommendations not being completed in 5 weeks?</b> JS would clarify this with the insurance company.</p> <p>TR agreed with the pragmatic approach. There were no further questions.</p>	JS
12.	<p><b>SIGNIFICANT INCIDENT REPORT</b> There was nothing to report.</p>	
13.	<p><b>COMMITTEE SUMMARY (Matters to be reported to Corporation Board)</b> IW explained that the Corporation agenda had been drafted – this item was to address any substantive items arising from this meeting to be added. The Risk management report and Risk Register was already on the agenda. It was agreed that Mitie's slow response training needs for water testing would be included as part of the Chair's summary.</p>	
14.	<p><b>AOB</b> GH suggested that the Committee should consider the Committee business plan, given that, for example, consideration of the insurance audit should be annual. GP noted that review of the year against the terms of reference and consideration of the business plan had been added to the plan for the first meeting in the following year. GP to also add the insurance audit to this and include the plan as a standing item in each meeting.</p> <p>GH asked whether IW thought Health &amp; safety should be a standing item. IW noted there was an annual Health &amp; Safety report and additionally <b>the Committee agreed to include Health &amp; Safety updates as a standing item. GP to add to the business plan.</b></p> <p>There was no other business. GH thanked JS on behalf of the Committee for producing the detailed papers for the meeting.</p> <p>The meeting ended at 17:15.</p>	<p>GP</p> <p>GP</p>

Confirmed as a correct record:

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Signature of Committee Chair

Date .....